and half as loan from the net collection of National Savings amount to Kerala in the coming years; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

(c) and (d) There is no such proposal under consideration of the Government at present.

Permission for Investment in Global Trust Bank (GTB) Issue

1359. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Securities and Exchange Board of India (SEBI) has barred the main promoters and their associates from subscribing to the proposed rights issue of Global Trust Bank which needs immediate fund infusion;

(b) if so, what are the details thereof and the reasons therefor; and

(c) whether it is also a fact that some international investors are eager to invest their funds in the Bank which had shown remarkable improvement in its functioning and if so, what are the reasons for not permitting them to invest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Securities & Exchange Board of India (SEBI) has informed that it has, vide its final order dated March 23, 2004 has directed the following promoter group entities not to buy, sell deal or pledge in the shares of Global Trust Bank for a period of 18 months with effect from December 31, 2002.

1. Ramesh Gelli
2. Premkala Gelli
3. Jayant Madhav
4. Girrish Gelli
5. Niraj Gelli
6. Sridhare Subasri

7. Annapurna Sridhar

8. Anjanaya Traders Pvt. Ltd.

9. Chiranjeevi Traders Pvt. Ltd.

10. Gajanan Financial Services Pvt. Ltd.

11. Gajmukh Investments Pvt. Ltd.

12. Kadrish Finance & Investments Pvt. Ltd.

13. Bombay Mahalakshmi Traders Pvt. Ltd.

An interim order dated 31.12.2002 under section 11B of SEBI Act, 1992 was passed directing these 13 promoter group entities and other entities not to buy, sell or transfer, pledge or dispose off or deal in any other manner in the shares of Global Trust Bank (GTB) either directly or indirectly till the investigations were completed. The said entities were offered a post decisional hearing on February 3 and 4, 2003. An order was passed against the promoters and associates of GTB confirming the order dated December 31, 2002 on June 13, 2003. Further, a final order has been passed against these entities prohibiting them from dealing in securities of GTB for a period of 18 months with effect from December 31, 2002 vide the abovementioned order dated March 23, 2004.

(c) The bank submitted a proposal on 17th May, 2004 to Reserve Bank of India from New Bridge Capital Ltd. a company based in Cayman Island for investment in GTB. However, the proposal was not acceptable to Reserve Bank of India on account of regulatory concessions and prudential forbearance as also foreign jurisdiction sought for dispute resolution. The performance of the bank has deteriorated considerably on major parameters since March 31, 2001 instead of improvement in the functioning.

Evasion of Service Tax

1360. SHRI SUDARSHAN AKARAPU: Will the Minister of FINANCE be pleased to state:

(a) whether government are aware that there is huge revenue leakage on account of evasion of service tax by several professionals and traders;

(b) if so, what is the estimated revenue loss to the exchequer;